

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name <u>Delaware Township</u>	County <u>Sanilac</u>
Fiscal Year End <u>3/31/06</u>	Opinion Date <u>5/19/06</u>	Date Audit Report Submitted to State <u>6/6/06</u>	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

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**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	<u>N/A</u>	
Other (Describe)	<input type="checkbox"/>	<u>N/A</u>	
Certified Public Accountant (Firm Name) <u>Anderson, Tuckey, Bernhardt, &amp; Doran P.C.</u>		Telephone Number <u>989-673-3137</u>	
Street Address <u>715 E. Frank St.</u>		City <u>Laro</u>	State <u>MI</u>
Zip <u>48723</u>		License Number <u>1101005446</u>	
Authorizing CPA Signature <u>Gary R. Anderson</u>		Printed Name <u>GARY R. ANDERSON</u>	

**DELAWARE TOWNSHIP**  
**SANILAC COUNTY**  
Minden City, Michigan

Report on Financial Statements  
(with additional information)  
Year Ended March 31, 2006

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# ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.

Certified Public Accountants



Gary R. Anderson, CPA  
Jerry J. Bernhardt, CPA  
Thomas B. Doran, CPA

Robert L. Tuckey, CPA  
Valerie Jamieson Hartel, CPA  
Jamie L. Peasley, CPA

May 19, 2006

## INDEPENDENT AUDITORS' REPORT

To the Township Board  
Delaware Township,  
Sanilac County, Michigan

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Township of Delaware as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Delaware Township management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in the financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Township of Delaware's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Delaware, as of March 31, 2006, or changes in its financial position or cash flows where applicable, for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of Delaware Township. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Anderson, Tuckey, Bernhardt & Doran, P.C.*

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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## General Purpose Financial Statements

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**COMBINED BALANCE SHEET -**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
March 31, 2006

	<u>GOVERNMENTAL</u> <u>FUND</u>	<u>FIDUCIARY</u>
	<u>GENERAL</u>	<u>TRUST AND AGENCY</u>
<b><u>ASSETS</u></b>		
Cash and equivalents	\$ 215,549	\$ 181,518
Receivables:		
Delinquent taxes	11,999	
Due from other funds	181,518	
Fixed assets		
<b><i>TOTAL ASSETS</i></b>	<b><u>\$ 409,066</u></b>	<b><u>\$ 181,518</u></b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
LIABILITIES:		
Due to other funds		\$ 181,518
<b>TOTAL LIABILITIES</b>		<b><u>181,518</u></b>
FUND EQUITY:		
Investment in general fixed assets		
Fund Balance		
Designated for roads	\$ 163,266	
Undesignated	245,800	
	-	
<b>TOTAL FUND EQUITY</b>	<b><u>409,066</u></b>	<b><u>-</u></b>
<b><i>TOTAL LIABILITIES &amp; FUND EQUITY</i></b>	<b><u>\$ 409,066</u></b>	<b><u>\$ 181,518</u></b>

The accompanying notes are an integral part of the financial statements.

**ACCOUNT GROUPS**

<b>GENERAL FIXED ASSETS</b>	<b>TOTAL (MEMORANDUM)</b>
	\$ 397,067
	-
	11,999
	181,518
\$ 417,295	417,295
<b>\$ 417,295</b>	<b>\$ 1,007,879</b>
	\$ 181,518
-	181,518
\$ 417,295	417,295
	-
	163,266
	245,800
417,295	826,361
<b>\$ 417,295</b>	<b>\$ 1,007,879</b>

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**YEAR ENDED MARCH 31, 2006**

	<b>GOVERNMENTAL FUND TYPES</b>
	<b>GENERAL</b>
REVENUE:	
Taxes	\$ 185,549
Licenses & permits	800
Charges for services	2,000
State grants	65,107
Interest	6,226
Grant money received	1,575
Other revenue	1,173
	<hr/>
TOTAL REVENUE	262,430
	<hr/>
EXPENDITURES:	
General government	83,150
Public safety	32,531
Public works	57,623
Debt service - interest	893
	<hr/>
TOTAL EXPENDITURES	174,197
	<hr/>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	88,233
	<hr/>
OTHER FINANCING USES:	
Debt service - principal	35,521
	<hr/>
FUND BALANCE - BEGINNING OF YEAR	356,354
	<hr/>
FUND BALANCE - END OF YEAR	\$ 409,066
	<hr/> <hr/>

The accompanying notes are an integral part of the financial statements.



**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS)**  
**AND ACTUAL GENERAL AND SPECIAL REVENUE FUND TYPES**  
**YEAR ENDED MARCH 31, 2006**

	<b>GENERAL FUND</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE- FAVORABLE (UNFAVORABLE)</b>
<b>REVENUE:</b>			
Taxes	\$ 178,971	\$ 185,549	\$ 6,578
Licenses & permits	500	800	300
Charges for services	2,000	2,000	-
State revenue	50,000	65,107	15,107
Interest	2,000	6,226	4,226
Grant money received	-	1,575	
Other revenue	600	1,173	573
<b>TOTAL REVENUE</b>	<b>234,071</b>	<b>262,430</b>	<b>26,784</b>
<b>EXPENDITURES:</b>			
General government	248,870	83,150	165,720
Public safety	33,325	32,531	794
Public works	91,609	57,623	33,986
Debt service - interest	893	893	-
<b>TOTAL EXPENDITURES</b>	<b>374,697</b>	<b>174,197</b>	<b>200,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(140,626)</b>	<b>88,233</b>	<b>227,284</b>
<b>OTHER FINANCING USES:</b>			
Debt service - principal	35,521	35,521	-
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>356,354</b>	<b>356,354</b>	<b>-</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 180,207</b>	<b>\$ 409,066</b>	<b>\$ 227,284</b>

The accompanying notes are an integral part of the financial statements.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**DESCRIPTION OF TOWNSHIP OPERATIONS AND FUND TYPES:**

The Township covers an area of approximately 45 square miles within Sanilac County. The township operates under an elected Board and provides services to its more than 1000 residents in many areas including law enforcement, administration of justice, community enrichment, development and human services.

The financial statements of Delaware Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. REPORTING ENTITY:**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, and the Financial Reporting Entity.

Based upon the application of these criteria, the general purpose financial statements of Delaware Township contain all the funds and account groups controlled by the Township's Board of Trustees as no other entity meets the criteria to be considered a blended component unit or a discretely presented component of the Township nor is the Township a component unit of another entity.

**B. FUND ACCOUNTING:**

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Account groups are used to account for fixed assets and long-term liabilities, which are not reported, in the respective governmental funds.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**C. BASIS OF ACCOUNTING:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increased (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after yearend. A one-year availability period is used to revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and sales tax and other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**D. BUDGETS AND BUDGETARY ACCOUNTING:**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

**E. CASH AND INVESTMENTS:**

Cash includes amounts in petty cash and demand deposits. Investments included instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorize the Township to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Township is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**F. RECEIVABLES:**

Receivables consist primarily of amounts for taxes and customer charges. No allowance for doubtful accounts is considered necessary and credit risk is minimal because of the large number of customers and the authority of the Township to add receivables to the tax rolls, which are secured by the underlying property.

**G. FIXED ASSETS:**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued to cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Fixed assets purchased within the proprietary funds and the non-expendable trust fund are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government. Primarily because of this policy, total expenditures for capital improvements in the governmental funds do not equal total additions to the general fixed asset account group.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

**H. LONG-TERM OBLIGATIONS:**

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**I. INTERFUND TRANSACTIONS:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):**

**J. MEMORANDUM ONLY - TOTAL COLUMNS:**

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**NOTE 2 - CHANGES IN GENERAL FIXED ASSETS:**

A summary of changes in general fixed assets follows:

	<b>BALANCE MARCH 31, 2005</b>	<b><u>ADDITIONS</u></b>	<b><u>REDUCTIONS</u></b>	<b>BALANCE MARCH 31, 2006</b>
Land cemetery	\$ 10,000			\$ 10,000
Land other	57,000			57,000
Building – Town Hall	5,176			5,176
Building – Fire Hall	13,140			13,140
Vehicles	220,456			220,456
Equipment – Fire	93,371	\$12,289		105,660
Equipment - General	<u>5,863</u>	<u>          </u>	<u>          </u>	<u>5,863</u>
<b>TOTAL GENERAL FIXED ASSETS</b>	<b><u>\$405,006</u></b>	<b><u>\$12,289</u></b>	<b><u>\$ -</u></b>	<b><u>\$417,295</u></b>

**NOTE 3 - DEPOSITS AND INVESTMENTS:**

Deposits are carried at cost. Deposits of the Township are at banks in the name of the Township Treasurer.

The Governmental Accounting Standards Board Statements No. 3 risk disclosures for cash deposits are as follows:

**DEPOSITS:**

At year-end, the carrying amount of the Township's deposits was \$397,067 and the bank balance was \$421,605, \$113,211 of which was covered by federal depository insurance. Michigan law does not require collateralization of government deposits. All of the Township's funds were in accordance with Michigan Compiled Laws, Section 129.91 and were invested in local banks.

**INVESTMENTS:**

State statutes and Township policy authorize the Township to invest in obligations of the United States, or agencies and instrumentalities of the U.S. commercial paper rated at the time of purchase within the top two classifications by at least two of the four rating agencies, certificates of deposits, repurchase agreements, banker's acceptance, and mutual funds.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 3 - DEPOSITS AND INVESTMENTS, (Continued):**

**INVESTMENTS, (Continued):**

The Township's investments are categorized to give an indication of the level of risk assumed at year-end. Category 1 include investments that are insured or registered or for which the securities are held by the Township or its agent in the Township's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealers trust department or agent in the Township's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker's or dealers or by its trust department but not in the Township's name. At March 31, 2006, the Township had no Category 1,2 or 3 investments. Additional disclosures required by GASB 40 are not included in the accompanying financial statements.

The Township's cash and cash equivalents at March 31, 2006 are composed of the following:

	<b><u>CASH &amp; CASH EQUIVALENTS</u></b>
General Fund:	
Deposits	\$215,549
Current Tax Collection Fund	
Deposits	<u>181,518</u>
<b>TOTAL</b>	<b><u>\$397,067</u></b>

**NOTE 4 – EMPLOYEE BENEFITS:**

The Township pays no employee benefits.

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 5 - LEGAL COMPLIANCE - BUDGETS:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. On or prior to April 1 of each year, a proposed budget is submitted to the Board of Trustees for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Board of Trustees.
5. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds.
6. Budgets for general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

**NOTE 6 - PROPERTY TAX REVENUE:**

Property taxes become an enforceable lien on the property as of December 1. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes and also taxes for the county, intermediate school district, state education fund and school districts. All tax collections are accounted for in the tax collection fund, an agency fund. Township tax revenues are recognized in the fiscal year which includes the December 1 levy date. The Township levied a general millage of .7258 a fire millage of .9710 and a road levy of 1.9422 on a taxable value of \$48,634,876.

**NOTE 7 – RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Township carries commercial insurance to cover any losses that may result from the above described activities. For insured programs, there have been no significant reduction in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE 8 – DUE TO AND FROM OTHER FUNDS:**

Due to and from other fund balances at March 31, 2006 are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$181,518	
Current tax collection		\$181,518

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2006**

**NOTE 9 –RESERVED FUND BALANCE:**

The following is a summary of General Fund revenues restricted by use:

	<u>Road Expenses</u>
Balance – March 31, 2005	\$126,532
Voted Millage	94,357
Road Expenditures	<u>(57,623)</u>
Balance – March 31, 2006	<u>\$163,266</u>

**NOTE 10- GASB 34:**

The Township chose not to adopt GASB 34, which is required by Generally Accepted Accounting Principles (GAAP). This departure from GAAP is also noted in the audit report letter.



## **Financial Statements of Individual Funds**

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<b>REVENUE</b>			
Taxes:			
Operating Levy	\$ 34,232	\$ 35,258	\$ 1,026
Road levy	91,609	94,357	2,748
Fire levy	39,222	40,281	1,059
Tax administration	13,908	15,653	1,745
Total taxes:	<u>178,971</u>	<u>185,549</u>	<u>6,578</u>
Licenses & permits			
Building permits	<u>500</u>	<u>800</u>	<u>300</u>
Charges for services			
Cemetery lots	-	-	-
Fire Protection	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total charges for services	<u>2,000</u>	<u>2,000</u>	<u>-</u>
State revenues:			
Summer tax collection reimbursement	-	6,120	6,120
State revenue sharing - metro authority	-	4,306	4,306
State revenue sharing	<u>50,000</u>	<u>54,681</u>	<u>4,681</u>
Total state revenue	<u>50,000</u>	<u>65,107</u>	<u>15,107</u>
Other revenues:			
Grant money received	-	1,575	
Interest	2,000	6,226	4,226
Other	<u>600</u>	<u>1,173</u>	<u>573</u>
Total other revenues	<u>2,600</u>	<u>8,974</u>	<u>4,799</u>
<b>TOTAL REVENUE</b>	<u><u>\$ 234,071</u></u>	<u><u>\$ 262,430</u></u>	<u><u>\$ 26,784</u></u>

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**YEAR ENDED MARCH 31, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES			
General Government:			
Supervisor salary	\$ 4,000	\$ 4,000	\$ -
Clerk salary	6,000	6,000	-
Assessor fees	13,500	10,309	3,191
Treasurer salary	12,500	12,500	-
Deputy salary	1,000	600	400
Township board			
Per dem	2,000	1,560	440
Expenses	1,000	820	180
Board of review salaries	1,000	765	235
Planning commission	5,150	5,147	3
Elections	1,000	-	1,000
Data Processings	1,500	873	627
Cemetery	4,000	3,520	480
Insurance	5,000	4,977	23
Buildings and grounds	172,220	14,172	158,048
Professional fees	3,000	2,124	876
Grant money spent	-	4,401	(4,401)
Administrative	16,000	11,381	4,619
	<u>248,870</u>	<u>83,150</u>	<u>165,720</u>
Total General Government			
	<u>248,870</u>	<u>83,150</u>	<u>165,720</u>
Public Safety:			
Fire Protection	31,324	31,319	5
Ambulance	2,000	1,212	788
Other	1	-	1
	<u>33,325</u>	<u>32,531</u>	<u>794</u>
Total Public Safety			
	<u>33,325</u>	<u>32,531</u>	<u>794</u>
Public Works:			
Drains at large	4,014	4,014	-
Roads	87,595	53,609	33,986
	<u>91,609</u>	<u>57,623</u>	<u>33,986</u>
Total Public Works			
	<u>91,609</u>	<u>57,623</u>	<u>33,986</u>
Debt Service:			
Principal	35,521	35,521	-
Interest	893	893	-
	<u>36,414</u>	<u>36,414</u>	<u>-</u>
Total Debt Service			
	<u>36,414</u>	<u>36,414</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 410,218</u>	<u>\$ 209,718</u>	<u>\$ 200,500</u>

**DELAWARE TOWNSHIP, SANILAC COUNTY**  
**SCHEDULE OF CHANGES IN ASSETS & LIABILITIES -**  
**CURRENT TAX COLLECTION FUND**  
**YEAR ENDED MARCH 31, 2006**

	<u>BALANCE</u> <u>3/31/2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>3/31/2006</u>
<b><u>ASSETS</u></b>				
Cash in bank	<u>\$ 183,710</u>	<u>\$ 1,581,204</u>	<u>\$ 1,583,396</u>	<u>\$ 181,518</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 183,710</u></u>	<u><u>\$ 1,581,204</u></u>	<u><u>\$ 1,583,396</u></u>	<u><u>\$ 181,518</u></u>
<b><u>LIABILITIES</u></b>				
Due to general fund	<u>\$ 183,710</u>	<u>\$ 180,020</u>	<u>\$ 177,828</u>	<u>\$ 181,518</u>
Due to other governmental units	<u>-</u>	<u>1,403,376</u>	<u>1,403,376</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 183,710</u></u>	<u><u>\$ 1,583,396</u></u>	<u><u>\$ 1,581,204</u></u>	<u><u>\$ 181,518</u></u>